

**United States Environmental Protection Agency
Criminal Investigation Division
Investigative Activity Report**

Case Number

0700-0469

Case Title:

Jacam Chemicals LLC

Reporting Office:

Kansas City Area Office

Subject of Report:

Report of meeting with KCC Wichita, KS (b) (6), (b) (7)(C)

Activity Date:

February 28, 2014

Reporting Official and Date:

(b) (6), (b) (7)(C)

Special Agent

Approving Official and Date:

(b) (6), (b) (7)(C)

Special Agent in Charge

14-MAR-2014, Signed by: (b) (6), (b) (7)

14-MAR-2014, Approved by: (b) (6), (b) (7)
Assistant Special Agent in Charge

SYNOPSIS

SA (b) (6), (b) (7)(C) met with (b) (6), (b) (7)(C) and (b) (6), (b) (7)(C) with the KCC regarding a recent observation made by (b) (6), (b) (7)(C) documented an individual discharging liquid waste into the RJ Operating lease. The individual was driving a Ford F550 with JACAM markings carrying 300 gallon totes and 55 gallon drums. (b) (6), (b) (7)(C) stated RJ Operating, as the lease/mineral owner is responsible for anything discharged into the injection well.

DETAILS

On February 26, 2014, SA (b) (6), (b) (7)(C) met with Jeff (b) (6), (b) (7)(C) and (b) (6), (b) (7)(C) employees of the Kansas Corporation Commission (KCC) located in Wichita, Kansas. (b) (6), (b) (7)(C) advised (b) (6), (b) (7)(C) is the District Supervisor for the Division District Office #2 and indicated (b) (6), (b) (7)(C) was a field inspector. SA (b) (6), (b) (7)(C) provided an introduction, presented official credentials and explained the nature of the visit. SA (b) (6), (b) (7)(C) informed (b) (6), (b) (7)(C) and (b) (6), (b) (7)(C) that (b) (6), (b) (7)(C) the Technical Advisor for the EPA CID office requested to be contacted and included in the conversations. (b) (6), (b) (7)(C) stated that was fine. The interview took place at the KCC office located at 3450 N Rock Rd, Building 600, Suite 601 in Wichita, Kansas.

SA (b) (6), (b) (7)(C) requested before contacting (b) (6), (b) (7)(C) that (b) (6), (b) (7)(C) provide information regarding a recent observation (b) (6), (b) (7)(C) made at the RJ Operating lease, known as the Matlock #2 Lease (hereinafter referred to as Matlock lease) located at the intersection of Avenue Q and Plum Avenue SE of Lyons, KS. (b) (6), (b) (7)(C) further identified Matlock lease to be operated by (b) (6), (b) (7)(C) (dba RJ Operating Co. located at 1380 24th Avenue in Galva, Kansas.) (b) (6), (b) (7)(C) indicated (b) (6), (b) (7)(C) believed the Matlock lease sits on property owned by the owner or CEO of JACAM Chemicals/Manufacturing. (b) (6), (b) (7)(C) stated on January 30, 2014 at approximately two (2) PM (b) (6), (b) (7)(C) observed a White Ford F550 Crew Cab displaying JACAM markings on the door backed into the Matlock lease. (b) (6), (b) (7)(C) indicated (b) (6), (b) (7)(C) drove to the lease and asked the driver what was being discharged into the injection well. (b) (6), (b) (7)(C) indicated the person (b) (6), (b) (7)(C) did not obtain identification information) advised (b) (6), (b) (7)(C) was discharging "soap" down the injection well and that (b) (6), (b) (7)(C) does such act one (1) or two (2) times per week. (b) (6), (b) (7)(C) provided a copy of (b) (6), (b) (7)(C) report of the observation and two (2) photographs of the truck (displaying JACAM Chemicals) backed into the Matlock lease (see attached KCC well inject 1.30.14 for details.) Within the report, (b) (6), (b) (7)(C) documented the "truck was a flat bed truck with 2 liquid filled caged totes on front and 12 plastic 55 gal. barrels strapped in behind." (b) (6), (b) (7)(C) further indicated the Matlock lease was the only lease (b) (6), (b) (7)(C) operates that has crushed rock allowing access to the lease in muddy conditions. SA (b) (6), (b) (7)(C) asked (b) (6), (b) (7)(C) based on (b) (6), (b) (7)(C) experience and past observations if oil chemical companies typically service injection wells utilizing 300 gallon totes and 55 gallon drums. (b) (6), (b) (7)(C) and (b) (6), (b) (7)(C)

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affirmed, usually such companies (specifying like JACAM) would either hire or the Lease operator would hire a hauling company to service the injection well. (b) (6) explained the chemical or service hauling company would utilize a pump type truck similar to a vacuum truck. (b) (6) further stated the pump truck also documents vacuum pressure before, during and after the servicing of the injection well to record improvement of the injection well. (b) (6) stated such injection well service would usually only occur one (1) and at most two (2) times per year. (b) (6), indicated during (b) (6) observations of January 30, the individual was not monitoring or collecting vacuum pressure data.

At that time, SA (b) (6), (b) (6) contacted (b) (6), via telephone. (b) (6), provided introduction. (b) (6) stated the Class II permits are issued to the actual lease operator, identifying in this case to be RJ Operating Co. and such permit holder bears sole responsibility for the liquids injected into the injection well. (b) (6) stated JACAM has no permit or authority to discharge anything into the injection well regarding KCC authority (KCC only has authority over Class II injection well permits.) (b) (6) stated if a violation would occur or be cited in this case the violation would be cited to RJ Operating Co. SA (b) (6), (b) (6) asked (b) (6) to verify and provide via email indicating if JACAM Chemicals/Manufacturing or any affiliation of was permitted to discharge into the Matlock lease. (b) (6) stated (b) (6) would and again opined to the best of (b) (6) recollection that JACAM does not have an issued permit by KCC but stated the Kansas Department of Health and Environment has authority over Class I, III and V injection well permitting authority. Additionally, (b) (6) stated the only permit issued to the Matlock lease is to RJ Operation Co. (b) (6) advised property ownership, specifically the property of the Matlock lease could be obtained at the Rice County Courthouse located in Lyons, Kansas.

On February 28, 2014, (b) (6) provided via email KCC permitting information regarding JACAM Chemicals. (b) (6) advised in the email that JACAM or any affiliations of were not issued a permit through the KCC. (see attached KCC.PermitEmail for details)

ATTACHMENT

KCC InjectWell Visit1 30 14.pdf

KCC.PermitEmail.pdf